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Taiwan

Product Brief

Taiwan Seafood Market

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Report Highlights: Taiwan's total seafood imports by value in 2000 were US$397 million, up from US$378 million in 1999. In 2000, the United States exported over US$49 million, making it the third largest supplier to Taiwan. While the current economic slowdown in Taiwan caused a drop in imports during the first quarter of 2001, seafood imports are expected to continue to increase over the long run. Growth in imports will be boosted by a reduction in tariffs on seafood when Taiwan joins the World Trade Organization (WTO), the continued contraction of domestic fishery production, and higher per capita incomes.

Includes PSD changes:No
Includes Trade Matrix:No
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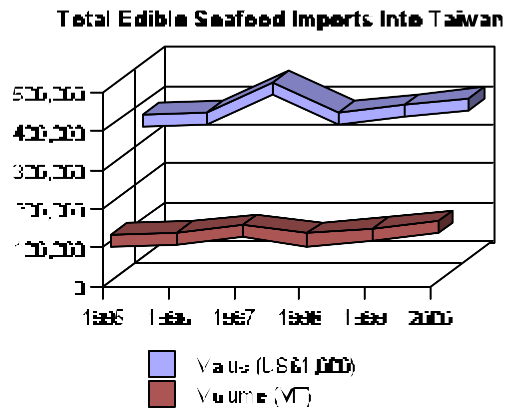
Executive Summary

Taiwan's total seafood imports by value in 2000 were US$397 million, up from US$378 million in 1999. Fish, crustacean, and molluscs each accounted for 45%, 38%, and 17% of total seafood imports. In 2000, the United States exported over US$49 million of seafood products, making it the third largest supplier to Taiwan. Taiwan's imports of seafood products will increase over the long term in response to increased per capita incomes, continued reduction in local fishery production, and the reduction in tariffs when Taiwan joins the WTO.

I. Market Overview

Taiwan's total seafood imports by value in 2000 were US$397 million, up from US$378 million in 1999. Fish, crustacean, and molluscs each accounted for 45%, 38%, and 17% of total seafood imports. The current economic slowdown in Taiwan caused a drop in imports during the first quarter of 2001. Growth in imports will be boosted by Taiwan's eventual accession to the WTO, the continued contraction of domestic fishery production, and higher per capita incomes.



The seafood market is highly competitive in Taiwan; no one country is the dominant supplier. The United States, in third place, supplied over US$49 million of seafood products in 2000. The major U.S. export items to Taiwan included fish roe, lobster, surimi (mainly pollock and cod), abalone, sea cucumber, salmon, scallops, halibut, and cod.

Major U.S. Seafood Exports to Taiwan (Jan-Dec 2000)

Species	Quantity (kg)	Value (US$)	Mkt Share by value
Fish roe	1,328,475	17,724,968	74.6%
Lobster	1,079,680	16,393,500	22.2%
Surimi	5,180,628	8,497,893	28%
Abalone	17,682	1,587,500	8%
Sea Cucumber	185,963	876,100	19.4%
Salmon	519,951	692,000	1.4%
Scallops	216,022	653,800	4.6%
Halibut	171,880	313,500	1.2%
Cod	41,432	46,700	2.7%

Source: Council of Agriculture (COA)
Directorate General of Customs, Ministry of Finance

Although traditionally a net exporter (by value, but not volume) of seafood, Taiwan consumers have recently developed new and different food preferences. U.S. seafood products enjoy a high quality image. However, consumers are usually unaware whether the seafood they purchase is imported or caught domestically. U.S. exporters are encouraged to establish promotional programs with Taiwan importers or retailers to increase sales.

Advantages	Challenges
Importers and wholesalers have an awareness and appreciation for the quality of U.S. products.	1. Prices 2. Consumers lack of knowledge about specific imported seafood products.

II. Market Sector Opportunities and Threats

Trade and Competition

The Taiwan market for imported seafood was about US$397 million in 2000. This was equivalent to 137,367 metric tons of seafood. Australia was the largest supplier with a 16% market share, followed by Thailand (14%), the United States (12%), Norway (7%), Canada (5%), Japan (5%), and Indonesia (5%).

Total Taiwan Seafood Imports (US$1,000)

	1995	**1996**	**1997**	**1998**	**1999**	**2000**
Fish	173,865	178,215	189,335	155,991	163,889	180,699
Crustacean	118,725	119,490	177,827	148,671	154,620	150,896
Molluscs	63,356	62,050	69,887	54,564	59,253	65,843
TOTAL	**355,946**	**359,755**	**437,049**	**359,226**	**377,762**	**397,439**

Seafood Imports from the United States (US$1,000)

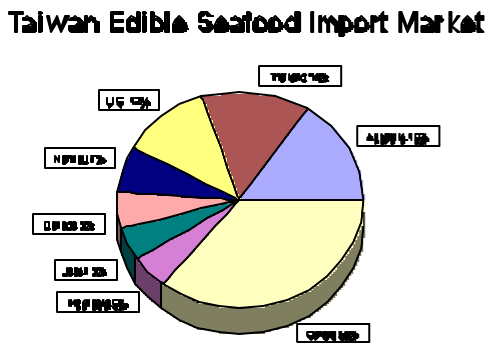
	1995	**1996**	**1997**	**1998**	**1999**	**2000**
Fish	33,584	31,273	29,417	28,040	23,095	28,352
Crustacean	9,302	8,126	21,444	12,379	16,321	17,445
Molluscs	3,046	3,238	3,266	2,088	2,090	3,471
TOTAL	45,932	42,637	54,127	42,507	41,506	49,268

U.S. Market Share	13%	12%	12%	12%	11%	12%

Source: Council of Agriculture

Fish

In 2000, Taiwan imported approximately US$181 million worth of fish. The United States was the major supplier with a 16% market share, followed by Norway (15%), Thailand (13%), and Canada (10%). Norwegian farm-raised salmon still dominates the imported fresh fish market. Approximately 62% of the imported fresh and frozen salmon were imported from Norway in 2000. The market share for U.S. salmon was negligible (1.4%). Taiwan does not catch or produce salmon, thus 100 percent of this species is imported. Fish roe ($18 million) was the principal U.S. export in this category and was the largest single seafood item imported from the United States. It was followed by surimi (mainly cod and pollock), which represented 30% of the total U.S. fish exports to Taiwan.



Crustacean

The total value of Taiwan crustacean imports was approximately US$151 million in 2000 with the United States in third position (12%) behind Australia (32%), and Thailand (20%). Live and frozen rock lobster ($16 million) was the principal U.S. export in this category. Nearly 99% of all lobsters in Taiwan are imported. The United Sates accounted for 22% of all of Taiwan's lobster imports.

Molluscs

U.S. molluscs represented 5% of total mollusc imports into Taiwan in 2000. Abalone (46%), scallops (19%) and sea cucumber (25%) were the principal U.S. exports in this category. All of the sea cucumber consumed in Taiwan is imported. The United States supplied 19% or US$876,100 of the total frozen sea cucumbers imported by Taiwan in 2000.

Domestic Production

Taiwan's fishery industry consists of deep ocean, offshore, coastal, marine aquaculture, inland fishing, and inland aquaculture. In 2000, total local production reached 1.4 million metric tons valued at US$3 billion, up 1.7 percent by value from 1999. The deep ocean sector, which led the fish catch, constitutes 52% of total production, followed by inland aquaculture (25%), offshore (14%), coastal fishing (5%), marine aquaculture (4%), and inland fishing (0.03%). 41 percent of total production was exported in 2000.

Compared to the previous year, coastal fishing, marine aquaculture, and inland aquaculture each posted slight increases in the value of production with the rest all showing decreases. Local fishery production, particularly deep ocean, is expected to continue to decrease over the next few years.

Major Taiwan fishery production includes the following species (in priority order): squid, skipjacks, tuna, albacore, tilapia, milkfish, mackerels, shark, hard clam, amberfish, swordfish, oyster, and eel.

With Taiwan's pending entry into the WTO and increasing concerns about safeguarding the ennvironment and the sea, Taiwan authorities are encouraging fishermen to efficiently process their catches, to improve domestic fish raising technology, and to develop recreational fishing industries. Taiwan authorities currently are discouraging expansion of the inland aquaculture industry since this industry has caused serious land sinkage problems.

HRI Food Service/Retail Food Sector

It is estimated that 50% and 30% of imported seafood are sold in wet markets and supermarkets/hypermarkets, respectively. 10 percent of imported seafood is directly sold to restaurants from importers. The remaining 10% is also directly sold to institutions from importers.

Competition among Taiwan's supermarkets and hypermarkets is fierce. To reduce their operating costs, retail stores tend to increase the volume of direct imports to avoid the higher cost of products, including seafood, from importers and manufacturers. U.S. suppliers are encouraged to contact these retail chains directly. A list of major Taiwan retail chains is available from the ATO Taipei office.

Consumer Preferences/Market Trends

Seafood consumption began an upward trend in 1995. Meat (pork, beef, poultry and mutton) consumption have shown steady growth over the past 10 years. According to the Council of Agriculture (COA), per capita seafood consumption in 1999 was 44.78 kg compared with 38.35 kg in 1995, and is expected to continue to increase over the next few years. The per capita consumption of pork, beef, mutton, and poultry in 1999 was 38.76 kg, 3.75 kg, 1.36 kg, and 33.89 kg, respectively.

Seafood is an important part of the diet in Taiwan. A dish of steamed whole fish with head and tail is a key component of any formal dinner or banquet, especially wedding banquets. According to Taiwanese traditions, the serving of fish connotes an auspicious "start and good outcome." A traditional Taiwanese banquet usually includes 12 courses. In addition to a whole fish and seasonal fruits, which are mandatory dishes, other seafood dishes, such as lobster, mullet roe, scallop, abalone, sea cucumber, crab, and shrimp are very popular items on a banquet menu. Imported lobster, in particular, are regarded by the Taiwanese as a prestigious dish.

Imported seafood items occupy a unique and growing niche in Taiwan's domestic seafood market. The demand for quality seafood is growing due to increasing income and new dietary trends.

Frozen food is one of the fastest growing sectors of the food industry in Taiwan. Trade and consumption of frozen food have grown significantly in recent years. A very strong preference for fresh seafood is common in Taiwan but consumers are beginning to purchase more frozen products, including frozen seafood.

Expenditures on eating out in Taiwan have increased rapidly in recent years. In 1999, consumption on eating out was estimated at US$8.6 billion. Demand for processed seafood products, such as fish fillets, is seen increasing for institutions and other food services.

Distribution Channels

There are several methods by which imported seafood is distributed to the retailers. Although the great majority of seafood is currently sold through wholesale markets, such seafood markets have seen a significant decrease in both the volume and value of seafood traded as more importers establish direct links to wholesalers and retailers.

It is estimated that approximately 70 percent of imported seafood, including seafood from the United States, is sold to wholesalers who, in turn, sell directly to various restaurants, hotels, and retail outlets. The remaining 30 percent are sold directly to restaurants, institutions, the military, and retailers.

U.S. Exporter	!	Taiwan Importer	!	Wholesaler	!	Retailers Restaurants Hotels
			ú	Restaurants Institutions The military Retailers		

SECTION III. Costs and Prices

There are no quotas in effect for seafood imports. Tariffs on seafood range from 12.5% to 50%. The tariff on lobster can be assessed on the basis of value or weight, whichever is highest. Depending on type of lobster, the tariff varies from NT$68/kg to NT$79/kg. The ad valorem tariff is fixed at 30% regardless of type of lobster. To stop under-invoicing on the part of importers, the Taiwan authorities have also set reference C&F prices for imported lobster. Customs levies import tariffs based on these C&F values plus insurance values. However, once the import tariffs have been paid based on the reference CIF prices, if the importer can prove that the actual transaction prices were in fact lower, the firm will be reimbursed the difference. The following are current reference C&F prices for lobster from the North and South America: by air shipments - live lobster US$16/kg, and frozen lobster US$7.5/kg; by sea shipments - frozen lobster US$6.5/kg.

In addition to the import tariff which is levied on a CIF basis, ad valorem, Taiwan also imposes the following fees:

Harbor construction fee	0.3% of CIF value (sea shipment only)
Trade Promotion fee	0.0425% of CIF value
Customs clearance fee per shipment	NT$3,500 (approximately US$109)

IV. Market Access

With the exception of frozen and chilled uneviscerated salmonid, perch, catfish, and cyprinids, no health certificates are required to import seafood to Taiwan.

A NOAA Export Health Certificate issued by the U.S. Department of Commerce or a health certificate issued by the animal quarantine authorities of the exporting country is required for the importation of fresh/frozen uneviscerated salmonid, perch, catfish, and cyprinids, but not for other seafood imports. Importation of any of these four species is subject to inspection by Taiwan's Bureau of Animal, Plant Health Inspection and Quarantine (BAPHIQ) at the port of entry. The health certificate should include the following items:

(1) Origin of the product, including name of the exporting country, name of animal quarantine authority, and the state or province where the product originates from.

(2) A statement regarding the status of the following diseases in fish in the exporting country:

- Salmonid - Viral Hemorrhagic Septicemia; Infectious Hematopoietic Necrosis; Salmonid Herpes virus Infection; Infectious Pancreatic Necrosis virus; Bacterial Kidney Disease.

- Perch - Epizootic Hematopoietic Necrosis

- Catfish - Catfish Herpes virus Infection; Catfish Edwardsiellosis

- Cyprinids - Spring Viremia of Carp

(3) Declaration - The exporting country is free from the diseases listed above.

Importation of other seafood is subject to quarantine inspection against cholera at random by Taiwan's Department of Health (DOH) at the port of entry.

Packaging Requirements

There are no legal requirements stipulating specific packaging materials or sizes to be used for seafood. Due to the nature of the product and the fact that most seafood is consumed in restaurants, there are no specific consumer preferences regarding the packaging of seafood.

V. Key Contacts: Taiwan Seafood Importers

There are good opportunities for U.S. seafood exports to Taiwan. U.S. exporters are encouraged to contact Taiwan importers directly or the ATO/Taipei for further information on market profiles and importers:

Agricultural Trade Office
AIT Taipei
54 Nanhai Road, Taipei, Taiwan
Tel: (886-2) 2305-4883 x 248
Fax: (886-2) 2305-7073
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